

DECLARATION OF EMERGENCY

Department of Public Safety and Corrections
Gaming Control Board

Civil Penalties, Significant Services, Standards of Conduct and Ethics, and Definitions (LAC 42)

In accordance with the provisions of R.S. 49:953(B), the Louisiana Gaming Control Board hereby determines that adoption of emergency rules relative to standards of conduct and ethical rules, administrative actions initiated by the Louisiana State Police, administrative hearings, definitions of persons furnishing significant goods and services, key employees, licensees and permittees is necessary and that for the following reasons failure to adopt rules on an emergency basis will result in imminent peril to the public health, safety and welfare.

Act 7 of the First Extraordinary Session of 1996, effective May 1, 1996, created the Louisiana Gaming Control Board with all regulatory authority, control and jurisdiction, including investigation, licensing and enforcement, and all power incidental or necessary to such regulatory authority, control and jurisdiction over all aspects of gaming activities and operations as authorized pursuant to the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, the Louisiana Economic Development and Gaming Corporation Act, and the Video Draw Poker Devices Control Law.

Further, Act 7 provides that all powers, duties, functions and responsibilities of the Riverboat Gaming Commission, Video Gaming Division and Riverboat Gaming Enforcement Division of State Police, and the Louisiana Economic Development and Gaming Corporation are transferred to and shall be performed and exercised by the Louisiana Gaming Control Board, and that the powers, duties, functions and responsibilities and any pending or unfinished business of those regulatory entities becomes the business of and shall be completed by the Louisiana Gaming Control Board with the same power and authority as the entity from which the functions are transferred.

The legislature has determined that development of a controlled gaming industry to promote economic development of the state requires thorough and careful exercise of legislative power to protect the general welfare of the state's people by keeping the state free from criminal and corrupt elements, and that it is the public policy of the state to this end that all persons, locations, practices, associations and activities related to the operation of licensed and qualified gaming establishments and the manufacture, supply, or distribution of gaming devices and equipment shall be strictly regulated.

Act 7 provides that State Police, the former licensor, may institute administrative actions against any entity that has a license, permit, casino contract, action or approval.

Numerous enforcement actions are required to be initiated immediately by State Police and it is necessary that such authority be provided by rule, and it is further necessary that rules be adopted providing for administrative hearings to ensure due process is afforded licensees and permittees.

It is essential to the purposes of Act 7 that definitions be established immediately for key employees and persons furnishing services or goods material and integral to the operation of a riverboat in order to determine if these persons are suitable to be involved in the gaming industry in Louisiana.

It is essential, to immediately effectuate the purposes of Act 7 and to ensure the integrity of gaming regulations in Louisiana, that rules be adopted to establish standards of conduct and ethical provisions for board members, employees, family members, contracting parties and other persons.

For the foregoing reasons, the Louisiana Gaming Control Board has determined adoption of emergency rules is necessary and hereby adopts these emergency rules, effective August 6, 1996, in accordance with R.S. 49:953(B), to be effective for a period of 120 days or until the final rule is promulgated, whichever occurs first.

Title 42

LOUISIANA GAMING

§105. Civil Penalties

A. The department is authorized to take enforcement action by imposing civil penalties against any entity that has a license, permit or casino contract, for violation of the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 4:501, et seq., the Video Draw Poker Devices Control Law, R.S. 33:4862.1 et seq., the Louisiana Economic Development and Gaming Corporation Act, R.S. 4:601 et seq., or rules promulgated in accordance therewith, provided that such provisions and rules are not in conflict with any provisions of the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7,

enacting R.S. 27:1 et seq., and rules promulgated in accordance therewith.

B. In imposing civil penalties, the department shall issue a citation which will specify the violation. The citation shall provide for the payment of a civil penalty to the department in accordance with a schedule which will be approved by the board and which will be furnished to licensees, permittees or a casino operator on request. The penalty shall be paid within 10 days of the issuance of the citation unless within that period the person to whom the citation is issued files a written request for a hearing with the board.

C. The department may institute an administrative action with the board based upon the non-compliance of the licensee, permittee or casino contractor with an enforcement action, or based upon a pattern of violations requiring enforcement action. Such administrative action may result in the suspension or revocation of a license or permit or such other penalty as the board may deem appropriate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:

§106. Persons Furnishing Significant Services

A. For purposes of R.S. 4:540 A., a person who furnishes significant services which are material and integral to the operation of a licensed riverboat shall include but not be limited to:

1. any individual, corporation, firm, partnership, or other legal entity that furnishes, by contract or otherwise, marine operations services and personnel to licensed riverboat operators;
2. masters and/or pilots and chief mates and/or first mates of riverboats whether employees or contract personnel who have authority to certify reports regarding cruising schedules and are authorized to operate the vessel for cruises.

B. Any person defined in Subsection A, shall submit an application to the board and be issued a permit by the board prior to furnishing services to any licensed riverboat operator. This rule applies to all marine operations regardless of any permit held.

C. All persons defined in Subsection A, furnishing services to a licensed riverboat operator prior to August 6, 1996, may continue to furnish services until their application has been finally acted upon by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:

§107. Standards of Conduct and Ethical Rules

A.1. No board member or employee shall engage in gaming activities in any establishment under the jurisdiction of the board, except as required in the course of his duties.

2. No board member or employee shall solicit or accept employment from a casino operator or from any licensee or permittee, or any holding, intermediary, or subsidiary company of an operator, a licensee, or a permittee, for a period of five years after termination of service on the board or employment by the board.

3. No immediate family member of a board member shall be employed by the casino operator, any licensee or a permittee, or any holding, intermediary, or subsidiary company of an operator, a licensee, or a permittee.

4. No board member or board employee nor a member of the immediate family of any board member or employee shall acquire a future direct or indirect pecuniary interest in the gaming casino operator or any other gaming licensee or permittee, or a holding, intermediary, or subsidiary company of an operator, a licensee, or a permittee, during the term of office or employment of the member or employee.

5. No board member or board employee shall attempt to affect the result of an election or a nomination for an office; directly or indirectly coerce, attempt to coerce, command, or advise a person to pay, lend, or contribute any thing of value to a political party, a committee, an organization, an agency, or a person for political purposes; or take part in a political campaign or the management of a political campaign.

6.a. No member or board employee nor a member of the immediate family of a board member or board employee shall make a contribution or loan to, or expenditure on behalf of, a candidate or committee;

b. No casino operator or any other licensee or permittee shall make a contribution or loan to, or expenditure on behalf of, a candidate or committee.

7.a. No board member or board employee shall represent the interests of any individual or entity, other than the board's interests, before the board for a period of five years following the date of termination of the person's term or employment with the board.

b. A consultant or person under contract for services to the board may not represent the interests of any individual or entity, other than the board's interests, before the board nor may such consultant or person under contract for services act as a consultant to or for or have a contract for service with the casino operator or any other licensee or permittee, or any holding, intermediary, or subsidiary company of an operator, licensee, or permittee, during the term of any agreement with the board.

8. No board member or board employee during service on or employment by the board or thereafter shall reveal information which is confidential, as provided in R.S. 27:21, except as is permitted in that Section.

9. A board member should not permit private or ex parte interviews, arguments or communications designed to influence his or her action with reference to any matter before the board.

10. A board member should not accept in any matter before the board, documents or written communications intended or calculated to influence his or her action unless the contents are promptly made known to all parties.

B.1. Violations by a board member or any immediate family member of a board member of any ethical rule adopted by the board or provided by law shall be cause for removal of the board member.

2. Violations by a board employee of any ethical rule adopted by the board or provided by law may be sanctioned by the board by suspension, demotion, or termination from employment, or some lesser sanction as determined appropriate by the board after receiving a report from a board hearing officer, if a hearing is requested by the employee, subject to applicable civil service laws and regulations.

3. Violations of any ethical rule after termination of board service or employment shall be punishable by the imposition of a fine not to exceed \$10,000, as determined by a hearing officer pursuant to R.S. 27:25(D).

C. As used in this rule, and for the purposes of R.S. 27:13, *licensee* or *permittee* shall mean any person who holds a license or permit issued pursuant to the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 4:501 et seq., the Louisiana Economic Development and Gaming Corporation Act, R.S. 4:601 et seq., the Video Draw Poker Device Control Law, R.S. 33:4862.1 et seq., or the Louisiana Gaming Control Law, R.S. 27:1 et seq., specifically including, but not limited to, manufacturers, distributors, suppliers, vendors, device owners, service entities, persons furnishing services or goods material and integral to the operation of a riverboat, gaming employees, key employees, non-key employees, equity owners, contractors, and all establishments regardless of the number of gaming devices in operation at the facility.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:

Part XIII. Riverboat Gaming

Subpart 2. State Police Riverboat Gaming

Enforcement Division

Chapter 17. General Provisions

§1701. Definitions

As used in the regulations, the following terms have the meanings described below:

* * *

Key Gaming Employee—any individual who is employed in a managerial or supervisory capacity and who is empowered to make discretionary decisions that regulate gaming activities including, but not limited to, the general manager of the riverboat, assistant casino manager, casino shift managers and/or boat operations managers, gaming managers for slot operations and table games, assistant managers for slot operations and table games, credit executives, cage and credit managers, assistant cage managers, assistant credit managers, accounting controller, surveillance director, assistant surveillance director, management informations systems manager, director of security, assistant director of security, and those individuals whose decisions and activities have a significant impact on the day-to-day operations of a gaming establishment. All other gaming employees, unless determined otherwise by the board, shall be classified as non-key gaming employees.

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AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division LR 22:1176 (September, 1993), amended by the Gaming Control Board LR 22:

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Hillary J. Crain
Chairman